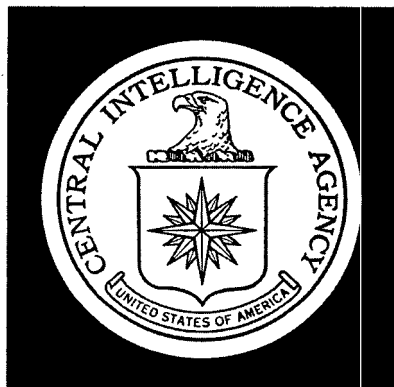


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DIRECTORATE OF
INTELLIGENCE

Intelligence Report

Weekly Report

Prepared Exclusively for the
Senior Interdepartmental Group

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14 November 1966

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2. CHINESE REPRESENTATION IN THE UN

Canada plans to introduce a new resolution in the General Assembly which would complicate US efforts to exclude Communist China from the UN. Under the Canadian proposal, Communist China would be admitted to the General Assembly and Peking would be given Taipei's seat on the Security Council. Nationalist China would retain its assembly seat.

Since this resolution calls for the replacement of a Security Council member, it would most likely be considered an "important question" requiring a two-thirds vote for approval. If the Canadian resolution is tabled, it is likely to receive a simple majority vote and perhaps more. Even this would be a psychological victory for those who seek Peking's admission and might cause the Chinese Nationalists to walk out.

Ottawa realizes its proposal is acceptable to neither Peking nor Taipei, but hopes by introducing a new approach to open a dialogue on the representation question. The Canadians have thus far rejected a US suggestion that they co-sponsor an alternative establishing a study committee to examine all facets of the Chinese representation question. (SECRET NO FOREIGN DISSEM/BACKGROUND USE ONLY)

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3. INDIA

India again faces critical food problems.

Although a capricious monsoon has left south India and the extreme north well supplied with water in contrast with last year's severe drought, a belt across north central India inhabited by some 100 million people received less rain than in 1965. Harvest prospects here for the crop year ending next June are officially estimated at one third to one half of normal production.

There will be acute food shortages in the rain-deficient area unless the central government can supply it with grain.

The Country Team in New Delhi warns that India may well need to import grains in calendar 1967 at the same level as programmed for 1966--about 12 million tons. The Indian Government had already requested from the US 8.5 million tons for fiscal 1967 before the extent of the failure of the rains in north central India was fully recognized.

The food crisis is superimposed on the many other problems--including student unrest, politically inspired riots, and economic stagnation--facing the ruling Congress Party on the eve of the February 1967 general elections. Strains between state and central government leaders over distribution of food grains could further snarl efforts to unify the party for the elections.

Left-wing opposition parties will try to exploit the developing food crisis and to portray government efforts to obtain US assistance as further evidence of subservience to Washington. (CONFIDENTIAL)

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4. GUINEA

President Touré has taken a long step away from his reliance on the US as a major prop for his radical regime, and Communist countries, notably China, are now likely to find a more receptive atmosphere in Conakry.

For now, the retaliatory measures against the US for Ghana's recent detention of Guinea's OAU delegation stop short of a diplomatic break or even a full termination of US AID programs, and have been limited principally to two vulnerable targets. The presence throughout the country of Peace Corps Volunteers has long irritated anti-American elements, and the Guineans are apparently convinced that Pan American Airways acted as agent in a US-orchestrated plot to deliver the Guinean delegation to the Ghanaians. However, several high Guinean officials have given assurances that no Americans will be harmed and that Guinea will facilitate an orderly evacuation of the expelled personnel through Conakry.

In lashing out at the US, Touré also may be trying to shore up his domestic political popularity at a time when the balance of power within the regime seems to be shifting in favor of hard-liners who were never reconciled to Touré's turn to the US in the early 1960s after his quarrel with Moscow.

Thus, Touré's decision to attack the US on the detention issue was probably influenced in large part by pressure for a return to a "revolutionary" line from party militants, youth and labor leaders, and certain political figures. He also apparently acted out of injured pride and a proclivity to believe reports of "imperialistic" plotting.

In an attempt to exploit the situation, the Chinese Communists have been increasingly active in Guinea, especially among the party-oriented popular militia. (CONFIDENTIAL)

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5. THE ARAB BOYCOTT

A number of US corporations, principally Ford, Coca Cola, and RCA, may be faced with a boycott by the Arab States unless they cease dealing with Israel. The Arab League Boycott Committee meets in Kuwait on 15 November to decide which companies to blacklist.

Coca Cola, threatened with a boycott by US Zionists, franchised a bottling plant in Israel, although sales potential there is infinitesimal. Ford, which has an assembly plant in Alexandria, Egypt, has agreed to establish another plant in Israel. RCA has an arrangement with an Israeli firm to produce phonograph records with the RCA label.

Cairo is considerably discomfited by the pending actions against these firms, all of whom carry on operations or trade with Egypt, and appears to be making quiet moves to get the companies off the hook. In addition, company representatives, as well as local dealers, are campaigning to deflect the boycott move or at least to postpone discussion of the issue.

The radical Syrian regime is in the vanguard of the campaign against the companies. Pressure from Syria and other Arab states which have no stake in the companies may force the Egyptians to agree to the boycott in the interest of Arab nationalist "unity." Saudi Arabia would also like to avoid the boycott, but would not want to be tagged with being "soft" on Israel.

Two other US companies are heading for trouble with the Arabs because of ties with Israeli firms. These are General Motors and Sears Roebuck. (CONFIDENTIAL)

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